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LETTER DATED 21 SEPTEMBER 1998 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I have the honour to transmit herewith a letter dated 16 September 1998 from Mr. Tariq Aziz, Deputy Prime Minister and Deputy Minister for Foreign Affairs, concerning the illegal mechanism and measures that are being employed by the United Nations Compensation Commission and its secretariat.

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

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Annex

[Original: Arabic]

Letter dated 16 September 1998 from the Deputy Prime Minister of Iraq addressed to the Secretary-General

The United Nations Compensation Commission has previously referred to the Government of Iraq a number of claims from corporations and individuals. The Government has studied these claims and prepared Iraq's responses to them on the basis of the information available to the Iraqi authorities concerned with such claims. These responses having been considered by the panels of Commissioners appointed for that purpose, the Governing Council of the United Nations Compensation Commission made its decisions on the basis of the recommendations of the Panel of Commissioners responsible for corporate compensation. In the table below, we set forth claims, the amount claimed, the compensation awarded by the Governing Council and the percentage of the claim represented by the award.

Claimant	Amount claimed (US$ million)	Amount awarded (US$ million)	Difference between two amounts	Percentage of claim awarded
Egyptian workers	491	84.4	406.6	17.1
Ministry of Foreign Affairs of Kuwait	40.4	5.6	34.9	14
Kuwait University	29.2	15.2	14	52.2
Jasim Yusif Al-Hamidi	30	20.9	9.1	67
Continental Corp. (India)	472.8	16	456.8	3.4
Cable Corp. (Kuwait)	126.6	55.1	71.5	43.8
Hyundai (Republic of Korea)	238.4	34.3	204.1	14.3
Tekhnoprom Export (Russia)	326.3	81.9	244.4	25

It is clear to us from the above table that the compensation awarded is excessive and that corporations are employing extortionate methods with a view to obtaining the highest level of compensation possible. It is also clear that Iraqi Government participation in responding to these claims, using the information available to the Iraqi authorities concerned, has been of the greatest assistance in uncovering exaggerated and extortionate claims. If we consider that the policy of the United Nations Compensation Commission is to

refer only a small selection, representing less than 1 per cent, of all claims to the Government of Iraq for a response, the extent to which that Government is being wronged and the people of Iraq bilked of its property becomes clear. If we take the claims cited above as a representative sample, it is clear that the measures adopted by the United Nations Compensation Commission are illegal and unjust. It has deliberately decided not to submit to Iraq claims for compensation under US$ 100,000, in particular those from corporations and individuals, and does not even allow Iraq to see the names of the individuals or corporations claiming compensation. Iraq is not furnished with even the smallest amount of information on the type of claim. The policy pursued by the United Nations Compensation Commission encourages claimants to employ every means of exaggerating the value of their claim and increases their attempts to extort money from Iraq. This violates all the legal norms which oblige the claimant to allow the defendant to scrutinize every detail of the claim. The United Nations Compensation Commission is itself obliged to observe the basic legal principles which stipulate that equal opportunities shall be provided for both parties to a dispute. It is, furthermore, bound to observe the legal norms laid down in the constitutions of all sovereign States stipulating respect for the right to defence, and to offer Iraq the opportunity to exercise that legitimate right and to give its opinion and observations and provide information on every claim for compensation, since it is, in the end, Iraq that will settle these awards from its own funds.

The Government of Iraq, in submitting this information to you, wishes only to establish the facts. The mechanism and measures used by the United Nations Compensation Commission and its secretariat are characterized by a lack of legality. Iraq reserves the right to take the necessary legal measures to defend its rights and regain the property of its people, in accordance with the principles and norms of international law.

(Signed) Tariq AZIZ
Deputy Prime Minister and
Deputy Minister for Foreign Affairs
Baghdad, 16 September 1998